

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

ANITA G. FOX, DIRECTOR
OF THE DEPARTMENT OF INSURANCE
AND FINANCIAL SERVICES,

Petitioner,

v

PAVONIA LIFE INSURANCE COMPANY
OF MICHIGAN,

Respondent.

Case No. 19-504-CR

HON. WANDA M. STOKES

[IN REHABILITATION]

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EX PARTE ORDER
APPROVING SETTLEMENT OF DECLARATORY JUDGMENT AND
DEFAULT JUDGMENT AGAINST PAVONIA LIFE INSURANCE COMPANY
OF MICHIGAN BY CLAIMANTS BARBARA GENDASZEK, INDIVIDUALLY
AND AS ADMINISTRATOR OF THE ESTATE OF JOHN GENDASZEK

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the
19 day of December, 2019.

PRESENT: HONORABLE WANDA M. STOKES, CIRCUIT COURT JUDGE

WHEREAS, Anita G. Fox, Director of the Michigan Department of Insurance and Financial Services (“DIFS”) and duly appointed Rehabilitator of Pavonia Life Insurance Company of Michigan (the “Rehabilitator”), has filed an *Ex Parte* Petition for Approval to Settle the Declaratory and Default Judgment against Pavonia Life Insurance Company of Michigan by Barbara Gendaszek, individually and as Administrator of the Estate of John Gendaszek (the “*Ex Parte* Petition”), specifically, the declaratory judgment entered on August 20, 2018 and the default judgment entered on June 7, 2019 by Barbara Gendaszek, individually and as Administrator of the Estate of John Gendaszek (“Claimants”) against Pavonia Life Insurance Company of Michigan (“Pavonia”), in lawsuits filed in the Superior Court of New Jersey, Law Division, Camden County Vicinage, Case No. L001200-18, assigned to the Honorable Francisco Dominguez (the “Declaratory Judgment Action”) and in the Superior Court of New Jersey, Law Division, Camden County Vicinage, Case No. L-003402-18, assigned to the Honorable Anthony M. Pugliese (the “Default Judgment Action.”)

WHEREAS, MCL 500.8115(1) governs legal actions or proceedings involving Pavonia that were pending when the Rehabilitation Order was entered and provides, *inter alia*, that “[t]he rehabilitator shall take action respecting the pending litigation as he or she considers necessary in the interests of justice and for the protection of creditors, policyholders, and the public”; and

WHEREAS, with respect to claims against Pavonia arising after entry of the Rehabilitation Order, MCL 500.8114(2) and the Rehabilitation Order authorize the

Rehabilitator to “take such action as she considers necessary or appropriate to reform or revitalize Pavonia.” In addition, this statute, as incorporated by the Rehabilitation Order, grants the Rehabilitator “full power and authority to direct and manage Pavonia . . . and to deal in totality with the property and business of” the company; and

WHEREAS, the Rehabilitator has determined that the settlement of the default judgment in the amount indicated in the *Ex Parte* Petition and on the terms contained in the settlement agreement is necessary and appropriate, is in the interests of justice, and will promote the protection of Pavonia’s creditors, policyholders, and the public;

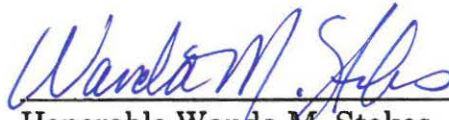
NOW, THEREFORE, IT IS HEREBY ORDERED that the Court **APPROVES** the proposed settlement of the default judgment described above and in the *Ex Parte* Petition, authorizes payment of the settlement amount from the funds of Pavonia, and authorizes the Rehabilitator and/or Special Deputy Rehabilitators to execute any necessary documentation and take such other action required to finalize the settlement.

IT IS FURTHER ORDERED that due to the difficulty and prohibitive cost associated with personally serving the *Ex Parte* Petition and this Order on all parties that may have a general interest in Pavonia’s rehabilitation, the Court authorizes, approves, and/or ratifies the Rehabilitator’s service of the *Ex Parte* Petition and this Order by posting electronic copies on the DIFS website, www.michigan.gov/difs, under the section “Who We Regulate,” the subsection

“Receiverships,” and the sub-subsection, “Pavonia Life Insurance.” The Court finds that service in this manner is reasonably calculated to give interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.

This Order does not resolve the last pending claim and does not close this case.



Honorable Wanda M. Stokes
Circuit Court Judge